



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live.

Frank O'Bannon
Governor

Lori F. Kaplan
Commissioner

July 21, 2003

100 North Senate Avenue
P. O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
www.IN.gov/idem

TO: Interested Parties / Applicant

RE: Hoosier Energy REC-Fairview Station
155-16011-00006

FROM: Paul Dubenetzky
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval - Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3-7 and IC 13-15-6-1(b) require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, ISTA Building, 150 W. Market Street, Suite 618, Indianapolis, Indiana 46204, **within thirty (30) days from the date of this notice**. The filing for administrative review is complete on the earliest of the following dates that apply to the filing:

- (1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
- (2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
- (3) the date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision or other order for which you seek review by permit number, the name of the applicant, location, the date of this notice, and all of the following:

- (1) the name and address of the person making the request;
- (2) the interest of the person making the request;
- (3) identification of any persons represented by the person making the request;
- (4) the reasons, with particularity, for the request;
- (5) the issues, with particularity, proposed for consideration at any hearing; and
- (6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

(over)

FNTVOP.wpd 8/21/02

Pursuant to 326 IAC 2-7-18(d), any person may petition the U.S. EPA to object to the issuance of a Title V operating permit or modification within sixty (60) days of the end of the forty-five (45) day EPA review period. Such an objection must be based only on issues that were raised with reasonable specificity during the public comment period, unless the petitioner demonstrates that it was impracticable to raise such issues, or if the grounds for such objection arose after the comment period.

To petition the U.S. EPA to object to the issuance of a Title V operating permit, contact:

U.S. Environmental Protection Agency
Administrator, Christine Todd Whitman
401 M Street
Washington, D.C. 20406

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.

Enclosure

FNTVOP.wpd 8/21/02



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PART 70 OPERATING PERMIT OFFICE OF AIR QUALITY

Hoosier Energy REC - Fairview Station Bennington Pike at State Road 250 Vevay, Indiana 47043

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the source described in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

Operation Permit No.: T 155-16011-00006	
Issued by: Original Signed by Janet G. McCabe, Assistant Commissioner Office of Air Quality	Issuance Date: July 21, 2003 Expiration Date: July 21, 2008

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SECTION A

SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). The information describing the source contained in Conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)] [326 IAC 2-7-1(22)]

The Permittee owns and operates a stationary peaking power generation source.

Responsible Official:	Manager Generation Technical Services
Source Address:	Bennington Pike at State Road 250, Vevay, Indiana 47043
Mailing Address:	P.O. Box 908, Bloomington, Indiana 47402-0908
General Source Phone Number:	812 - 876 - 0370
SIC Code:	4911
County Location:	Switzerland
Source Location Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Permit Program Minor Source, under PSD rules

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

This stationary source consists of the following emission units and pollution control devices:

Nine (9) diesel reciprocating internal combustion engines (generators), rated at varying heat input capacities not exceeding 22.00 million British thermal units per hour each, identified as emission units DGF-1 through DGF-9, combusting diesel fuel only, exhausting through stacks F-1A/F-1B through F-9A/F-9B, heat input capacity: 154.0 million British thermal units per hour total, output capacity: 2.40 megawatts, each.

A.3 Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

This stationary source also includes the following insignificant activities as defined in 326 IAC 2-7-1(21):

(a) Unpaved roads (gravel roads)

(b) Other categories with emissions below insignificant thresholds:

Storage tanks emitting less than one (1) ton per year of a single HAP and less than fifteen (15) pounds per day of VOC:

(1) Five (5) fuel oil storage tanks, identified as TF1-2C, TF3-4C, TF5-6C, TF7-8, and TF9, capacity: 6,000 gallons each.

(2) Nine (9) on board fuel oil storage tanks, identified as FO1 through FO9, capacity: 2,150 gallons, each.

A.4 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source is required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

(a) It is a major source, as defined in 326 IAC 2-7-1(22);

- (b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability).

SECTION B

GENERAL CONDITIONS

B.1 Definitions [326 IAC 2-7-1]

Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, the applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2 and 326 IAC 2-7) shall prevail.

B.2 Permit Term [326 IAC 2-7-5(2)] [326 IAC 2-1.1-9.5]

This permit is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date of this permit or of permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

B.3 Enforceability [326 IAC 2-7-7]

Unless otherwise stated, all terms and conditions in this permit, including any provisions designed to limit the source's potential to emit, are enforceable by IDEM, the United States Environmental Protection Agency (U.S. EPA) and by citizens in accordance with the Clean Air Act.

B.4 Termination of Right to Operate [326 IAC 2-7-10] [326 IAC 2-7-4(a)]

The Permittee's right to operate this source terminates with the expiration of this permit unless a timely and complete renewal application is submitted at least nine (9) months prior to the date of expiration of the source's existing permit, consistent with 326 IAC 2-7-3 and 326 IAC 2-7-4(a).

B.5 Severability [326 IAC 2-7-5(5)]

The provisions of this permit are severable; a determination that any portion of this permit is invalid shall not affect the validity of the remainder of the permit.

B.6 Property Rights or Exclusive Privilege [326 IAC 2-7-5(6)(D)]

This permit does not convey any property rights of any sort or any exclusive privilege.

B.7 Duty to Supplement and Provide Information [326 IAC 2-7-4(b)] [326 IAC 2-7-5(6)(E)] [326 IAC 2-7-6(6)]

(a) The Permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

(b) The Permittee shall furnish to IDEM, OAQ, within a reasonable time, any information that IDEM, OAQ, may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34). Upon request, the Permittee shall also furnish to IDEM, OAQ, copies of records required to be kept by this permit.

(c) For information furnished by the Permittee to IDEM, OAQ, the Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1. When furnishing copies of requested records directly to U. S. EPA, the Permittee may assert a claim of confidentiality in accord-

ance with 40 CFR 2, Subpart B.

B.8 Compliance with Permit Conditions [326 IAC 2-7-5(6)(A)] [326 IAC 2-7-5(6)(B)]

- (a) The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for:
 - (1) Enforcement action;
 - (2) Permit termination, revocation and reissuance, or modification; or
 - (3) Denial of a permit renewal application.
- (b) Noncompliance with any provisions of this permit, except any provision specifically designated as not federally enforceable, constitutes a violation of the Clean Air Act.
- (c) It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.
- (d) An emergency does constitute an affirmative defense in an enforcement action provided the Permittee complies with the applicable requirements set forth in Section B, Emergency Provisions.

B.9 Certification [326 IAC 2-7-4(f)] [326 IAC 2-7-6(1)] [326 IAC 2-7-5(3)(C)]

- (a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by a responsible official of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- (b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification. One (1) certification can cover multiple forms in one (1) submittal.
- (c) A responsible official is defined at 326 IAC 2-7-1(34).

B.10 Annual Compliance Certification [326 IAC 2-7-6(5)]

- (a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. The initial certification shall cover the time period from the date of final permit issuance through December 31 of the same year. All subsequent certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted in letter form no later than July 1 of each year to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Air Enforcement Branch - Indiana (AE-17J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

- (b) The annual compliance certification report required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (c) The annual compliance certification report shall include the following:
 - (1) The appropriate identification of each term or condition of this permit that is the basis of the certification;
 - (2) The compliance status;
 - (3) Whether compliance was continuous or intermittent;
 - (4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3); and
 - (5) The following facts, required to determine the compliance status of the source:
 - (A) The nameplate capacity of the nine (9) generators, shall not exceed twenty-five (25) megawatts, total;
 - (B) The generators shall combust diesel fuel only; and
 - (C) The annual average weight percentage sulfur content of the diesel fuel used at the nine (9) generators shall not exceed 0.05 percent.

The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

B.11 Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)] [326 IAC 2-7-6(1) and (6)]
[326 IAC 1-6-3]

- (a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after issuance of this permit, including the following information on each facility:
 - (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
 - (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and
 - (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

If, due to circumstances beyond the Permittee's control, the PMPs cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

The PMP extension notification does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) The Permittee shall implement the PMPs as necessary to ensure that failure to implement a PMP does not cause or contribute to a violation of any limitation on emissions or potential to emit.
- (c) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or contributes to any violation. The PMP does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (d) Records of preventive maintenance shall be retained for a period of at least five (5) years. These records shall be kept at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.

B.12 Emergency Provisions [326 IAC 2-7-16]

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation.
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describe the following:
 - (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
 - (2) The permitted facility was at the time being properly operated;
 - (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;
 - (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section), or
Telephone Number: 317-233-5674 (ask for Compliance Section)
Facsimile Number: 317-233-5967
 - (5) For each emergency lasting one (1) hour or more, the Permittee submitted the attached Emergency Occurrence Report Form or its equivalent, either by mail or facsimile to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

within two (2) working days of the time when emission limitations were exceeded due to the emergency.

The notice fulfills the requirement of 326 IAC 2-7-5(3)(C)(ii) and must contain the following:

- (A) A description of the emergency;
- (B) Any steps taken to mitigate the emissions; and
- (C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (6) The Permittee immediately took all reasonable steps to correct the emergency.
- (c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
- (d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.
- (e) IDEM, OAQ, may require that the Preventive Maintenance Plans required under 326 IAC 2-7-4-(c)(9) be revised in response to an emergency.
- (f) Failure to notify IDEM, OAQ, by telephone or facsimile of an emergency lasting more than one (1) hour in accordance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-7 and any other applicable rules.
- (g) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.
- (h) The Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

B.13 Permit Shield [326 IAC 2-7-15] [326 IAC 2-7-20] [326 IAC 2-7-12]

- (a) Pursuant to 326 IAC 2-7-15, the Permittee has been granted a permit shield. The permit shield provides that compliance with the conditions of this permit shall be deemed in compliance with any applicable requirements as of the date of permit issuance, provided that either the applicable requirements are included and specifically identified in this permit or the permit contains an explicit determination or concise summary of a determination that other specifically identified requirements are not applicable. The Indiana statutes from IC 13 and rules from 326 IAC, referenced in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a Part 70 permit under 326 IAC 2-7 or for applicable requirements for

which a permit shield has been granted.

This permit shield does not extend to applicable requirements which are promulgated after the date of issuance of this permit unless this permit has been modified to reflect such new requirements.

- (b) If, after issuance of this permit, it is determined that the permit is in nonconformance with an applicable requirement that applied to the source on the date of permit issuance, IDEM, OAQ, shall immediately take steps to reopen and revise this permit and issue a compliance order to the Permittee to ensure expeditious compliance with the applicable requirement until the permit is reissued. The permit shield shall continue in effect so long as the Permittee is in compliance with the compliance order.
- (c) No permit shield shall apply to any permit term or condition that is determined after issuance of this permit to have been based on erroneous information supplied in the permit application. Erroneous information means information that the Permittee knew to be false, or in the exercise of reasonable care should have been known to be false, at the time the information was submitted.
- (d) Nothing in 326 IAC 2-7-15 or in this permit shall alter or affect the following:
 - (1) The provisions of Section 303 of the Clean Air Act (emergency orders), including the authority of the U.S. EPA under Section 303 of the Clean Air Act;
 - (2) The liability of the Permittee for any violation of applicable requirements prior to or at the time of this permit's issuance;
 - (3) The applicable requirements of the Acid Rain Program, consistent with Section 408(a) of the Clean Air Act; and
 - (4) The ability of U.S. EPA to obtain information from the Permittee under Section 114 of the Clean Air Act.
- (e) This permit shield is not applicable to any change made under 326 IAC 2-7-20(b)(2) (Sections 502(b)(10) of the Clean Air Act changes) and 326 IAC 2-7-20(c)(2) (trading based on State Implementation Plan (SIP) provisions).
- (f) This permit shield is not applicable to modifications eligible for group processing until after IDEM, OAQ, has issued the modifications. [326 IAC 2-7-12(c)(7)]
- (g) This permit shield is not applicable to minor Part 70 permit modifications until after IDEM, OAQ, has issued the modification. [326 IAC 2-7-12(b)(8)]

B.14 Prior Permits Superseded [326 IAC 2-1.1-9.5]

- (a) All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either
 - (1) incorporated as originally stated,
 - (2) revised, or
 - (3) deletedby this permit.

- (b) All previous registrations and permits are superseded by this permit.

B.15 Deviations from Permit Requirements and Conditions [326 IAC 2-7-5(3)(C)(ii)]

- (a) Deviations from any permit requirements (for emergencies see Section B - Emergency Provisions), the probable cause of such deviations, and any response steps or preventive measures taken shall be reported to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. A deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report.

The Quarterly Deviation and Compliance Monitoring Report does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit.

B.16 Permit Modification, Reopening, Revocation and Reissuance, or Termination [326 IAC 2-7-5(6)(C)] [326 IAC 2-7-8(a)] [326 IAC 2-7-9]

- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Part 70 permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-7-5(6)(C)] The notification by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ, determines any of the following:
- (1) That this permit contains a material mistake.
 - (2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.
 - (3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-7-9(a)(3)]
- (c) Proceedings by IDEM, OAQ, to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-7-9(b)]
- (d) The reopening and revision of this permit, under 326 IAC 2-7-9(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ, at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ, may provide a shorter time period in the case of an emergency. [326 IAC 2-7-9(c)]

B.17 Permit Renewal [326 IAC 2-7-4]

- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ, and shall include the information specified in 326 IAC 2-7-4. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

(b) Timely Submittal of Permit Renewal [326 IAC 2-7-4(a)(1)(D)]

- (1) A timely renewal application is one that is:

- (A) Submitted at least nine (9) months prior to the date of the expiration of this permit; and
- (B) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

- (2) If IDEM, OAQ, upon receiving a timely and complete permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.

(c) Right to Operate After Application for Renewal [326 IAC 2-7-3]

If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ, takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application. [326 IAC 2-7-4(a)(2)(D) and (E)]

(d) United States Environmental Protection Agency Authority [326 IAC 2-7-8(e)]

If IDEM, OAQ, fails to act in a timely way on a Part 70 permit renewal, the U.S. EPA may invoke its authority under Section 505(e) of the Clean Air Act to terminate or revoke and reissue a Part 70 permit.

B.18 Source Modification [326 IAC 1-2-42] [326 IAC 2-7-10.5]

- (a) The Permittee shall obtain approval as required by 326 IAC 2-7-10.5 from the OAQ prior to making any modification to the source. Pursuant to 326 IAC 1-2-42, "Modification" means one (1) or more of the following activities at an existing source:

- (1) A physical change or change in the method of operation of any existing emissions unit that increases the potential to emit any regulated pollutant that could be emitted from the emissions unit, or that results in emissions of any regulated pollutant not previously emitted.
 - (2) Construction of one (1) or more new emissions units that have the potential to emit regulated air pollutants.
 - (3) Reconstruction of one (1) or more existing emission units that increases the potential to emit of any regulated air pollutant.
- (b) Any application requesting a source modification shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application shall be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) The Permittee shall also comply with the applicable provisions of 326 IAC 2-7-11 (Administrative Permit Amendments) or 326 IAC 2-7-12 (Permit Modification) prior to operating the approved modification.

B.19 Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12]

- (a) Permit amendments and modifications are governed by the requirements of 326 IAC 2-7-11 or 326 IAC 2-7-12 whenever the Permittee seeks to amend or modify this permit.
- (b) Pursuant to 326 IAC 2-7-11(b) and 326 IAC 2-7-12(a), administrative Part 70 permit amendments and permit modifications for purposes of the acid rain portion of a Part 70 permit shall be governed by regulations promulgated under Title IV of the Clean Air Act. [40 CFR 72]
- (c) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application shall be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (d) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

B.20 Permit Revision Under Economic Incentives and Other Programs [326 IAC 2-7-5(8)] [326 IAC 2-7-12(b)(2)]

- (a) No Part 70 permit revision shall be required under any approved economic incentives, marketable Part 70 permits, emissions trading, and other similar programs or processes for changes that are provided for in a Part 70 permit.

- (b) Notwithstanding 326 IAC 2-7-12(b)(1) and 326 IAC 2-7-12(c)(1), minor Part 70 permit modification procedures may be used for Part 70 modifications involving the use of economic incentives, marketable Part 70 permits, emissions trading, and other similar approaches to the extent that such minor Part 70 permit modification procedures are explicitly provided for in the applicable State Implementation Plan (SIP) or in applicable requirements promulgated or approved by the U.S. EPA.

B.21 Operational Flexibility [326 IAC 2-7-20] [326 IAC 2-7-10.5]

- (a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b), (c), or (e), without a prior permit revision, if each of the following conditions is met:

- (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
- (2) Any preconstruction approval required by 326 IAC 2-7-10.5 has been obtained;
- (3) The changes do not result in emissions which exceed the emissions allowable under this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
- (4) The Permittee notifies the:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

in advance of the change by written notification at least ten (10) days in advance copy of this permit; and

- (5) The Permittee maintains records on-site which document, on a rolling five (5) year basis, all such changes and emissions trading that are subject to 326 IAC 2-7-20 (b), (c), or (e) and makes such records available, upon reasonable request, for public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ, in the notices specified in 326 IAC 2-7-20(b)(1), (c)(1), and (e)(2).

- (b) The Permittee may make Section 502(b)(10) of the Clean Air Act changes (this term is defined at 326 IAC 2-7-1(36)) without a permit revision, subject to the constraint of 326 IAC 2-7-20(a). For each such Section 502(b)(10) of the Clean Air Act change, the required written notification shall include the following:

- (1) A brief description of the change within the source;
- (2) The date on which the change will occur;
- (3) Any change in emissions; and

- (4) Any permit term or condition that is no longer applicable as a result of the change.

The notification which shall be submitted is not considered an application form, report or compliance certification. Therefore, the notification by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) Emission Trades [326 IAC 2-7-20(c)]

The Permittee may trade increases and decreases in emissions in the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).

- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]

The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.

B.22 Inspection and Entry [326 IAC 2-7-6] [IC 13-14-2-2]

Upon presentation of proper identification cards, credentials, and other documents as may be required by law, and subject to the Permittee's right under all applicable laws and regulations to assert that the information collected by the agency is confidential and entitled to be treated as such, the Permittee shall allow IDEM, OAQ, U.S. EPA, or an authorized representative to perform the following:

- (a) Enter upon the Permittee's premises where a Part 70 source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;
- (b) Have access to and copy any records that must be kept under the conditions of this permit;
- (c) Inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) Sample or monitor substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) Utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

B.23 Transfer of Ownership or Operational Control [326 IAC 2-7-11]

- (a) The Permittee must comply with the requirements of 326 IAC 2-7-11 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.
- (b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

The application which shall be submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

B.24 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-7-5(7)] [326 IAC 2-1.1-7]

- (a) The Permittee shall pay annual fees to IDEM, OAQ, within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ, the applicable fee is due April 1 of each year.
- (b) Except as provided in 326 IAC 2-7-19(e), failure to pay may result in administrative enforcement action or revocation of this permit.
- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for OAQ, I/M & Billing Section), to determine the appropriate permit fee.

B.25 Advanced Source Modification Approval [326 IAC 2-7-5(16)] [326 IAC 2-7-10.5]

- (a) The requirements to obtain a source modification approval under 326 IAC 2-7-10.5 or a permit modification under 326 IAC 2-7-12 are satisfied by this permit for the proposed emission units, control equipment or insignificant activities in Sections A.2 and A.3.
- (b) Pursuant to 326 IAC 2-1.1-9 any permit authorizing construction may be revoked if construction of the emission unit has not commenced within eighteen (18) months from the date of issuance of the permit, or if during the construction, work is suspended for a continuous period of one (1) year or more.

SECTION C

SOURCE OPERATION CONDITIONS

Entire Source

Emission Limitations and Standards [326 IAC 2-7-5(1)]

C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) pounds per hour [40 CFR 52 Subpart P] [326 IAC 6-3-2]

- (a) Pursuant to 40 CFR 52 Subpart P, the allowable particulate emissions rate from any process not already regulated by 326 IAC 6-1 or any New Source Performance Standard, and which has a maximum process weight rate less than one hundred (100) pounds per hour shall not exceed 0.551 pounds per hour.
- (b) Pursuant to 326 IAC 6-3-2(e)(2), the allowable particulate emissions rate from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour. This condition is not federally enforceable.

C.2 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

C.3 Open Burning [326 IAC 4-1] [IC 13-17-9]

The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6. The previous sentence notwithstanding, the Permittee may open burn in accordance with an open burning approval issued by the Commissioner under 326 IAC 4-1-4.1. 326 IAC 4-1-3 (a)(2)(A) and (B) are not federally enforceable.

C.4 Incineration [326 IAC 4-2] [326 IAC 9-1-2]

The Permittee shall not operate an incinerator or incinerate any waste or refuse except as provided in 326 IAC 4-2 and 326 IAC 9-1-2. 326 IAC 9-1-2 is not federally enforceable.

C.5 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions). 326 IAC 6-4-2(4) is not federally enforceable.

C.6 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted. The provisions of 326 IAC 1-7-2, 326 IAC 1-7-3(c) and (d), 326 IAC 1-7-4(d), (e), and (f), and 326 IAC 1-7-5(d) are not federally enforceable.

C.7 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

The Permittee shall comply with the applicable requirements of 326 IAC 14-10, 326 IAC 18, and 40 CFR 61.140.

Testing Requirements [326 IAC 2-7-6(1)]

C.8 Performance Testing [326 IAC 3-6]

- (a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

A test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, if the source submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Requirements [326 IAC 2-1.1-11]

C.9 Compliance Requirements [326 IAC 2-1.1-11]

The commissioner may require stack testing, monitoring, or reporting at any time to assure compliance with all applicable requirements by issuing an order under 326 IAC 2-1.1-11. Any monitoring or testing shall be performed in accordance with 326 IAC 3 or other methods approved by the commissioner or the U. S. EPA.

Compliance Monitoring Requirements [326 IAC 2-7-5(1)] [326 IAC 2-7-6(1)]

C.10 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. If due to circumstances beyond its control, that equipment cannot be installed and operated within ninety (90) days, the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

in writing, prior to the end of the initial ninety (90) day compliance schedule, with full justification of the reasons for the inability to meet this date.

The notification which shall be submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Unless otherwise specified in the approval for the new emission unit(s), compliance monitoring for new emission units or emission units added through a source modification shall be implemented when operation begins.

C.11 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63]

Any monitoring or testing required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60, Appendix A, 40 CFR 60 Appendix B, 40 CFR 63, or other approved methods as specified in this permit.

Corrective Actions and Response Steps [326 IAC 2-7-5] [326 IAC 2-7-6]

C.12 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]

Pursuant to 326 IAC 1-5-2 (Emergency Reduction Plans; Submission):

- (a) The Permittee prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures on May 16, 2002.
- (b) Upon direct notification by IDEM, OAQ, that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level. [326 IAC 1-5-3]

C.13 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68.215]

- (a) If a regulated substance, subject to 40 CFR 68, is present at a source in more than a threshold quantity, 40 CFR 68 is an applicable requirement.
- (b) The Permittee shall verify that a Risk Management Plan or a revised plan was prepared as required by 40 CFR 68 and submitted to IDEM, OAQ.

All documents submitted pursuant to this condition shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

**C.14 Compliance Response Plan - Preparation, Implementation, Records, and Reports
[326 IAC 2-7-5] [326 IAC 2-7-6]**

- (a) The Permittee is required to prepare a Compliance Response Plan (CRP) for each compliance monitoring condition of this permit. A CRP shall be submitted to IDEM, OAQ upon request. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and comprised of:
 - (1) Reasonable response steps that may be implemented in the event that a response step is needed pursuant to the requirements of Section D of this permit; and an expected timeframe for taking reasonable response steps.

- (2) If, at any time, the Permittee takes reasonable response steps that are not set forth in the Permittee's current Compliance Response Plan and the Permittee documents such response in accordance with subsection (e) below, the Permittee shall amend its Compliance Response Plan to include such response steps taken.
- (b) For each compliance monitoring condition of this permit, reasonable response steps shall be taken when indicated by the provisions of that compliance monitoring condition as follows:
 - (1) Reasonable response steps shall be taken as set forth in the Permittee's current Compliance Response Plan; or
 - (2) If none of the reasonable response steps listed in the Compliance Response Plan is applicable or responsive to the excursion, the Permittee shall devise and implement additional response steps as expeditiously as practical. Taking such additional response steps shall not be considered a deviation from this permit so long as the Permittee documents such response steps in accordance with this condition.
 - (3) If the Permittee determines that additional response steps would necessitate that the emissions unit or control device be shut down, the IDEM, OAQ shall be promptly notified of the expected date of the shut down, the status of the applicable compliance monitoring parameter with respect to normal, and the results of the actions taken up to the time of notification.
 - (4) Failure to take reasonable response steps shall constitute a violation of the permit.
- (c) The Permittee is not required to take any further response steps for any of the following reasons:
 - (1) A false reading occurs due to the malfunction of the monitoring equipment and prompt action was taken to correct the monitoring equipment.
 - (2) The Permittee has determined that the compliance monitoring parameters established in the permit conditions are technically inappropriate, has previously submitted a request for a minor permit modification to the permit, and such request has not been denied.
 - (3) An automatic measurement was taken when the process was not operating.
 - (4) The process has already returned or is returning to operating within "normal" parameters and no response steps are required.
- (d) When implementing reasonable steps in response to a compliance monitoring condition, if the Permittee determines that an exceedance of an emission limitation has occurred, the Permittee shall report such deviations pursuant to Section B-Deviations from Permit Requirements and Conditions.
- (e) The Permittee shall record all instances when response steps are taken. In the event of an emergency, the provisions of 326 IAC 2-7-16 (Emergency Provisions) requiring prompt corrective action to mitigate emissions shall prevail.
- (f) Except as otherwise provided by a rule or provided specifically in Section D, all monitoring as required in Section D shall be performed when the emission unit is operating, except for time necessary to perform quality assurance and maintenance activities.

C.15 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5][326 IAC 2-7-6]

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.
- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.
- (c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The documents submitted pursuant to this condition do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

C.16 Emission Statement [326 IAC 2-7-5(3)(C)(iii)] [326 IAC 2-7-5(7)] [326 IAC 2-7-19(c)] [326 IAC 2-6]

- (a) The Permittee shall submit an annual emission statement certified pursuant to the requirements of 326 IAC 2-6, that must be received by July 1 of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4. The annual emission statement shall meet the following requirements:
 - (1) Indicate estimated actual emissions of criteria pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting);
 - (2) Indicate estimated actual emissions of other regulated pollutants (as defined by 326 IAC 2-7-1) from the source, for purposes of Part 70 fee assessment.
- (b) The annual emission statement covers the twelve (12) consecutive month time period starting January 1 and ending December 31. The annual emission statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

The emission statement does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) The annual emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

C.17 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6]

- (a) Records of all required data, reports and support information shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be kept at the source location for a minimum of three (3) years.

The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.

- (b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

C.18 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11]

- (a) The source shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015
- (c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (d) Unless otherwise specified in this permit, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) The first report shall cover the period commencing on the date of issuance of this permit and ending on the last day of the reporting period. Reporting periods are based on calendar years.

Stratospheric Ozone Protection

C.19 Compliance with 40 CFR 82 and 326 IAC 22-1

Pursuant to 40 CFR 82 (Protection of Stratospheric Ozone), Subpart F, except as provided for motor vehicle air conditioners in Subpart B, the Permittee shall comply with the standards for recycling and emissions reduction:

- (a) Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156.
- (b) Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.
- (c) Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.
- (d) Pursuant to 40 CFR 82, Subpart E (The Labeling of Products Using Ozone-Depleting Substances), all containers in which a Class I or Class II substance is stored or transported

and all products containing a Class I substance shall be labeled as required under 40 CFR Part 82.

SECTION D.1

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: Diesel Reciprocating Internal Combustion Engines

Nine (9) diesel reciprocating internal combustion engines (generators), rated at varying heat input capacities not exceeding 22.00 million British thermal units per hour each, identified as emission units DGF-1 through DGF-9, combusting diesel fuel only, exhausting through stacks F-1A/F-1B through F-9A/F-9B, heat input capacity: 154.0 million British thermal units per hour total, output capacity: 2.40 megawatts, each.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.1.1 Heat Input Capacity Limitation

The nine (9) diesel reciprocating internal combustion engines, known as DGF-1 through DGF-9, shall not exceed a heat input capacity of 22.00 million British thermal units per hour each, and a combined heat input capacity of 154.0 million British thermal units per hour.

D.1.2 PSD Minor Limit [326 IAC 2-2] [40 CFR 52.21]

The throughput of diesel fuel through the nine (9) diesel reciprocating internal combustion engines, known as DGF-1 through DGF-9, shall not exceed a total of 1,128,000 gallons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 249 tons of NO_x per year and 66.2 tons of CO per year. This limit is based on an NO_x and CO emission rate of 3.20 pounds per million British thermal units and 0.850 pounds per million British thermal units, respectively, and a heat content of 138,000 British thermal units per gallon of diesel fuel. This throughput shall limit the potential to emit carbon monoxide (CO) and nitrogen oxides (NO_x) to a total of less than two hundred and fifty (250) tons per year, each. Compliance with this limit renders the requirements of 326 IAC 2-2 and 40 CFR 52.21 not applicable.

D.1.3 Acid Rain Program Exemption [40 CFR 72.7]

The nine (9) diesel generators are exempt from the requirements of the Acid Rain Program, pursuant 40 CFR 72.7. In order to comply with this exemption the nine (9) diesel generators shall comply with the following:

- (a) The nameplate capacity of the nine (9) diesel generators, shall not exceed twenty-five (25) megawatts, total;
- (b) The generators shall combust diesel fuel only; and
- (c) The annual average weight percentage sulfur content of the diesel fuel used at the nine (9) generators shall not exceed 0.05 percent.

Any change or modification to the nine (9) diesel generators that exceeds or changes the requirements of paragraphs (a) through (c) shall require prior IDEM, OAQ approval and may require this source to obtain an Acid Rain Permit pursuant to 40 CFR 72.

D.1.4 Volatile Organic Compounds (VOC) [326 IAC 8-1-6]

Any change or modification that increases the potential to emit VOC from any of the nine (9) diesel reciprocating internal combustion engines to greater than twenty-five (25) tons per year shall require prior IDEM, OAQ approval.

D.1.5 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities.

Compliance Determination Requirements

D.1.6 Acid Rain Program Exemption [40 CFR 72.7(b)(2) and (d)(2)]

- (a) Pursuant to 40 CFR 72.7(b)(2), in order to ensure the nine (9) diesel generators are exempt from the Acid Rain Program and to document compliance with Condition D.1.3, the Permittee submitted an Exemption Statement on December 10, 2002 and resubmitted an Exemption Statement for the generators on July 15, 2002.
- (b) Pursuant to 40 CFR 72.7(d)(3), in order to ensure the nine (9) diesel generators are exempt from the Acid Rain Program and to document compliance with Condition D.1.3(c), the Permittee shall calculate the annual average weight percentage sulfur content of the diesel fuel used at the nine (9) diesel generators as follows:

$$\% S_{\text{annual}} = \frac{\sum_{n=1}^{\text{last}} \% S_n M_n}{\sum_{n=1}^{\text{last}} M_n}$$

where:

- $\% S_{\text{annual}}$ = annual average sulfur content of the fuel burned during the year by the unit, as a percentage by weight;
- $\% S_n$ = sulfur content of the nth sample of the fuel delivered during the year to the unit, as a percentage by weight;
- M_n = mass of the fuel in a delivery during the year to the unit of which the nth sample is taken, in pounds; or, for fuel delivered during the year to the unit continuously by pipeline, volume of the fuel delivered starting from when the nth sample of such fuel is taken until the next sample of such fuel is taken, in pounds;
- n = each sample taken of the fuel delivered during the year to the unit, taken at least once for each delivery; or, for fuel that is delivered during the year to the unit continuously by pipeline, at least once each quarter during which the fuel is delivered.
- (c) Any change or modification that increases the nameplate capacities of any of the nine (9) diesel generators to greater than 2.40 megawatts shall require the Permittee to submit a new Exemption Statement to the Acid Rain Program and obtain prior IDEM, OAQ approval.

Compliance Monitoring Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

D.1.7 Visible Emissions Notations

- (a) Visible emission notations of nine (9) diesel reciprocating internal combustion engines stack exhausts F-1A/F-1B through F-9A/F-9B shall be performed after four (4) continuous hours of operation once per shift during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

- (b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.
- (c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.
- (d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.
- (e) The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

D.1.8 Operation and Maintenance Plan

The Permittee shall prepare and maintain an Operation and Maintenance Plan for each diesel reciprocating internal combustion engine. This plan shall insure that the nine (9) diesel reciprocating internal combustion engines are operated and maintained properly in accordance with manufacturer specifications and good air pollution control practices for minimizing emissions. The Operation and Maintenance Plan shall be kept onsite at all times.

Record Keeping and Reporting Requirements [326 IAC 2-5.1-3(e)(2)] [326 IAC 2-6.1-5(a)(2)]

D.1.9 Record Keeping Requirements

- (a) To document compliance with Condition D.1.1, the Permittee shall maintain monthly records of the heat input capacity of each diesel reciprocating internal combustion engine.
- (b) To document compliance with Condition D.1.2, the Permittee shall maintain records of the amount of diesel fuel in gallons used per month.
- (c) To document compliance with Condition D.1.3(a), the Permittee shall maintain monthly records of the name plate capacity for each diesel generator.
- (d) Pursuant to 40 CFR 72.7(f)(3), to document compliance with Conditions D.1.3(b) and (c), the Permittee shall retain at the source the unit records for a period of five (5) years from the date the records are created. The five (5) year period for record keeping may be extended for cause, at any time period during the end of the period, in writing by IDEM, OAQ. These records shall be kept for each fuel delivery and shall include:
 - (1) The type of fuel;
 - (2) The sulfur content;
 - (3) The sulfur content of each sample taken; and
 - (4) The calculated annual weight percentage sulfur content of the diesel fuel used at the nine (9) generators.
- (e) To document compliance with Condition D.1.7, the Permittee shall maintain records of visible emission notations of the nine (9) diesel reciprocating internal combustion engines stack exhausts when operating for four (4) continuous hours.

- (f) To document compliance with Condition D.1.8, the Permittee shall keep records of the maintenance performed on each diesel reciprocating internal combustion engine including the date and description of the maintenance activities.
- (g) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.10 Reporting Requirements

A quarterly summary of the information to document compliance with Condition D.1.2 shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY**

**PART 70 OPERATING PERMIT
CERTIFICATION**

Source Name: Hoosier Energy REC - Fairview Station
Source Address: Bennington Pike at State Road 250, Vevay, Indiana 47043
Mailing Address: P.O. Box 908, Bloomington, Indiana 47402-0908
Part 70 Permit No.: T 155-16011-00006

**This certification shall be included when submitting monitoring, testing reports/results
or other documents as required by this permit.**

Please check what document is being certified:

- 9 Annual Compliance Certification Letter
- 9 Test Result (specify) _____
- 9 Report (specify) _____
- 9 Notification (specify) _____
- 9 Affidavit (specify) _____
- 9 Other (specify) _____

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Signature:

Printed Name:

Title/Position:

Phone:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY**

COMPLIANCE BRANCH
100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015
Phone: 317-233-5674
Fax: 317-233-5967

**PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT**

Source Name: Hoosier Energy REC - Fairview Station
Source Address: Bennington Pike at State Road 250, Vevay, Indiana 47043
Mailing Address: P.O. Box 908, Bloomington, Indiana 47402-0908
Part 70 Permit No.: T 155-16011-00006

This form consists of 2 pages

Page 1 of 2

- 9** This is an emergency as defined in 326 IAC 2-7-1(12)
CThe Permittee must notify the Office of Air Quality (OAQ), within four **(4)** business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); and
CThe Permittee must submit notice in writing or by facsimile within two **(2)** working days (Facsimile Number: 317-233-5967), and follow the other requirements of 326 IAC 2-7-16.

If any of the following are not applicable, mark N/A

Facility/Equipment/Operation:

Control Equipment:

Permit Condition or Operation Limitation in Permit:

Description of the Emergency:

Describe the cause of the Emergency:

If any of the following are not applicable, mark N/A

Page 2 of 2

Date/Time Emergency started:
Date/Time Emergency was corrected:
Was the facility being properly operated at the time of the emergency? Y N Describe:
Type of Pollutants Emitted: TSP, PM-10, SO ₂ , VOC, NO _x , CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by: _____

Title / Position: _____

Date: _____

Phone: _____

A certification is not required for this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: Hoosier Energy REC - Fairview Station
Source Address: Bennington Pike at State Road 250, Vevay, Indiana 47043
Mailing Address: P.O. Box 908, Bloomington, Indiana 47402-0908
Part 70 Permit No.: T 155-16011-00006
Facilities: Nine (9) diesel reciprocating internal combustion engines, identified as DGF-1 through DGF-9.
Parameter: Diesel fuel throughput
Limit: Total not to exceed 1,128,000 gallons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 249 tons of NO_x per year and 66.2 tons of CO per year.

YEAR: _____

Month	Diesel throughput (gallons)	Diesel throughput (gallons)	Diesel throughput (gallons)
	This Month	Previous 11 Months	12 Month Total

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

**PART 70 OPERATING PERMIT
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT**

Source Name: Hoosier Energy REC - Fairview Station
Source Address: Bennington Pike at State Road 250, Vevay, Indiana 47043
Mailing Address: P.O. Box 908, Bloomington, Indiana 47402-0908
Part 70 Permit No.: T 155-16011-00006

Months: _____ to _____ Year: _____

Page 1 of 2

This report shall be submitted quarterly based on a calendar year. Any deviation from the requirements, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. Deviations that are required to be reported by an applicable requirement shall be reported according to the schedule stated in the applicable requirement and do not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".

9 NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.

9 THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD

Permit Requirement (specify permit condition #)

Date of Deviation:

Duration of Deviation:

Number of Deviations:

Probable Cause of Deviation:

Response Steps Taken:

Permit Requirement (specify permit condition #)

Date of Deviation:

Duration of Deviation:

Number of Deviations:

Probable Cause of Deviation:

Response Steps Taken:

Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

Indiana Department of Environmental Management Office of Air Quality

Technical Support Document (TSD) for a Part 70 Operating Permit

Source Background and Description

Source Name:	Hoosier Energy REC - Fairview Station
Source Location:	Bennington Pike at State Road 250, Vevay, Indiana 47043
County:	Switzerland
SIC Code:	4911
Operation Permit No.:	T 155-16011-00006
Permit Reviewer:	Michael S. Schaffer

The Office of Air Quality (OAQ) has reviewed a Part 70 Operating Permit application from Hoosier Energy REC - Fairview Station relating to the operation of a peaking power generation source. This source will provide additional power at times of high demand. This source is not one (1) of the twenty-eight (28) listed source categories under 326 IAC 2-2 because the total heat input capacity of the entire source is less than 250 million British thermal units per hour.

History

MSOP 155-13580-00006 was issued on May 4, 2001 and permitted nine (9) diesel reciprocating internal combustion engines, rated at 17.11 million British thermal units per hour each.

Since the issuance of MSOP 155-13580-00006, on May 4 2001, Hoosier Energy REC has decided to discontinue the contract with the manufacturer of the permitted diesel reciprocating internal combustion engines. As a result, Hoosier Energy - REC has requested a modification in their permitted equipment list that would give them the flexibility to operate diesel reciprocating engines from different manufacturers. The request to change the equipment list of MSOP 155-13580-00006, issued on May 4, 2001, would allow Hoosier Energy REC to operate nine (9) diesel reciprocating internal combustion engines at varying heat input capacities while maintaining a fixed total source-wide heat input capacity. The total source-wide heat input capacity will remain at 154.0 million British thermal units per hour.

Hoosier Energy REC - Fairview Station was not in operation due to the lack of peak energy demand during the summer of 2002 season. In order to prevent this modification from becoming a CWOP/OWOP enforcement issue, Hoosier Energy REC - Fairview Station has agreed to operate its equipment in accordance with MSOP 155-13580-00006, issued on May 4, 2001, until this pending Part 70 Operating Permit is issued.

On December 10, 2000, Hoosier Energy REC - Fairview Station submitted an Acid Rain Exemption Statement pursuant to 40 CFR 72.7(b)(2) for nine (9) diesel reciprocating internal combustion engines with nameplate capacities of 1.825 megawatts, each. On July 15, 2002, Hoosier Energy resubmitted the Acid Rain Exemption Statement for the nine (9) diesel reciprocating internal combustion engines to increase the nameplate capacity to 2.40 megawatts each. The nine (9) diesel reciprocating internal combustion engines totaling 21.6 megawatts output shall still be exempt from the Title IV Acid Rain Program requirements pursuant to 40 CFR 72.7(b)(2).

Permitted Emission Units and Pollution Control Equipment

The source consists of the following permitted emission units and pollution control devices as stated in MSOP 155-13580-00006, issued on May 4, 2001:

- (a) Nine (9) diesel reciprocating internal combustion engines, identified as emission units DGF-1, DGF-2, DGF-3, DGR-4, DGF-5, DGF-6, DGF-7, DGF-8, and DGF-9 with a maximum heat input capacity of 17.11 million British thermal units per hour each, and exhausting to stacks F-1A/F-1B, F-2A/F-2B, F-3A/F-3B, F-4A/F-4B, F-5A/F-5B, F-6A/F-6B, F-7A/F-7B, F-8A/F-8B, and F-9A/F-9B, respectively. These units use diesel fuel only. The engines are not considered emergency generators (the nameplate capacity of each engine was 1.825 megawatts and was not included in the original equipment list).
- (b) Five (5) fuel oil storage tanks, identified as units TF1-2C, TF3-4C, TF5-6C, TF7-8C, and TF9, each with a maximum capacity of 6,000 gallons (these tanks are now insignificant activities).

Unpermitted Emission Units and Pollution Control Equipment

There are no unpermitted facilities operating at this source during this review process.

New Emission Units and Pollution Control Equipment Receiving Advanced Source Modification Approval

The application includes information relating to the prior approval for the construction and operation of the following equipment pursuant to 326 IAC 2-7-5(16):

Due to a change in the manufacturers of their diesel reciprocating internal combustion engines, Hoosier Energy REC - Fairview Station has requested the following changes to the permitted equipment list:

- (a) Nine (9) diesel reciprocating internal combustion engines (generators), rated at varying heat input capacities not exceeding 22.00 million British thermal units per hour each, identified as emission units DGF-1 through DGF-9, combusting diesel fuel only, exhausting through stacks F-1A/F-1B through F-9A/F-9B, heat input capacity: 154.0 million British thermal units per hour total, output capacity: 2.40 megawatts, each.

This modification of the equipment list will be incorporated as the equipment list in the proposed Part 70 Operating Permit.

- (b) Nine (9) on board fuel oil storage tanks, identified as FO1 through FO9, capacity: 2,150 gallons each (these tanks are considered insignificant activities).

Insignificant Activities

The source also consists of the following insignificant activities, as defined in 326 IAC 2-7-1(21):

- (a) Unpaved roads (gravel roads)
- (b) Other categories with emissions below insignificant thresholds:

Storage tanks emitting less than one (1) ton per year of a single HAP and less than fifteen (15) pounds per day of VOC:

- (1) Five (5) fuel oil storage tanks, identified as TF1-2C, TF3-4C, TF5-6C, TF7-8, and TF9, capacity: 6,000 gallons each. (Permitted in MSOP 155-13580-00006, issued on May 4, 2001)
- (2) Nine (9) on board fuel oil storage tanks, identified as FO1 through FO9, capacity: 2,150 gallons, each.

Existing Approvals

The source has been operating under previous approvals including, but not limited to, the following:

MSOP 155-13580-00006, issued on May 4, 2001.

All conditions from previous approvals were incorporated into this Part 70 Operating Permit except for the previously stated changes to the source's equipment list.

Enforcement Issue

The affidavit of construction was submitted on May 18, 2001 and the Part 70 application was submitted on May 16, 2002 which was within twelve (12) months from the start of the operation. Therefore, there are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Part 70 Operating Permit be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An administratively complete Part 70 Operating Permit application for the purposes of this review was received on May 16, 2002, which is within the twelve (12) months from the start of operation. Additional information was received on July 16, 2002.

Emission Calculations

See pages 1 and 2 of 2 in Appendix A of this document for detailed emissions calculations.

Potential To Emit

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as "the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA."

This table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

Pollutant	Potential To Emit (tons/year)
PM	77.4
PM ₁₀	48.6
SO ₂	33.7
VOC	60.7
CO	573
NO _x	2,158

Note: For the purpose of determining Title V applicability for particulates, PM₁₀, not PM, is the regulated pollutant in consideration.

HAPs	Potential To Emit (tons/year)
Benzene	0.523
Toluene	0.190
Xylenes	0.130
Propylene	1.88
Formaldehyde	0.053
Acetaldehyde	0.017
Acrolein	0.005
Naphthalene	0.088
Acenaphthylene	0.006
Acenaphthene	0.003
Fluorene	0.009
Phenanthrene	0.028
Anthracene	0.001
Fluoranthene	0.003
Pyrene	0.003
Benz(a) anthracene	0.0004
Chrysene	0.001
Benzo(b)fluoranthene	0.001
Benzo(k)fluoranthene	0.0001
Benzo(a)pyrene	0.0002
Indeno(1,2,3-cd)	0.0003

HAPs	Potential To Emit (tons/year)
Dobenz(a,h) anthracene	0.0002
Benzo(g,h,l) perylene	0.0004
TOTAL	2.94

- (a) The Potential to Emit (as defined in 326 IAC 2-1.1-1(16)) of NO_x and CO are equal to or greater than one hundred (100) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (b) This source is not 1 of the 28 listed source categories because the nine (9) diesel generators have a total heat input capacity of less than 250 million British thermal units per hour.

Potential to Emit of Modification

The following table reflects the Potential to Emit from of the nine (9) modified diesel reciprocating internal combustion engines.

Potential to Emit of the Modified Diesel Reciprocating Internal Combustion Engines (tons/year)							
	PM	PM ₁₀	SO ₂	VOC	CO	NO _x	HAPs
PTE of Proposed Modification	67.4	38.6	33.7	60.7	573	2,158	2.94
Modification Determination Level	25	25	25	25	100	25	10/25

Although this modification is above significant modification thresholds, pursuant to 326 IAC 2-7-10.5(d)(9), "A modification that has a potential to emit greater than the thresholds under subdivision (4) that adds emissions unit or units of the same type that are already permitted and that will comply with the same applicable requirements and permit terms and conditions as the existing emission units or units, except if the modification would result in a potential to emit greater than the thresholds in 326 IAC 2-2 or 326 IAC 2-3" shall be performed as a minor source modification.

By incorporating the existing diesel throughput limit of 1,128,000 gallons per twelve (12) consecutive month period with compliance determined at the end of each month into this pending Part 70 Operating Permit, this modification can be performed as a minor source modification pursuant to 326 IAC 2-7-10.5(d)(9). The source has requested that the minor source modification to this existing minor PSD source be incorporated into this proposed Part 70 Operating Permit.

Note that because this source is not changing the total heat input capacity of their reciprocating internal combustion engines and they are incorporating the existing diesel throughput limit into this Part 70 Operating Permit, the limited Potential to Emit will remain unchanged from that in MSOP 155-13580-00006, issued May 4, 2001.

Actual Emissions

No previous emission data has been received from the source.

Potential to Emit After Issuance

The table below summarizes the Potential to Emit, reflecting all limits, of the significant emission units after controls. The control equipment is considered federally enforceable only after issuance of this Part 70 Operating Permit.

	Limited Potential to Emit (tons/year)						
Process/facility	PM	PM ₁₀	SO ₂	VOC	CO	NO _x	HAPs
Nine (9) Diesel Generators (DGF-1 through DGF-9)	7.78	4.46	3.89	7.00	66.2	249	0.340
Fourteen (14) Insignificant Fuel Oil Storage Tanks and Unpaved Roads	10.0	10.0	-	0.030	-	-	Negligible
Total Emissions	17.8	14.5	3.89	7.03	66.2	249	0.340
PSD Threshold Level	250	250	250	250	250	250	-

The limited potential to emit is based on a diesel fuel 1,128,000 gallons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 249 tons of NO_x per year and 66.2 tons of CO per year. This limit is based on an NO_x and CO emission rate of 3.20 pounds per million British thermal units and 0.850 pounds per million British thermal units, respectively, and a heat content of 138,000 British thermal units per gallon of diesel fuel. Therefore, pursuant to 326 IAC 2-2 and 40 CFR 52.21, the PSD requirements do not apply.

This modification to an existing minor stationary source is not major because the Permittee is maintaining its PSD minor source status.

County Attainment Status

The source is located in Switzerland County.

Pollutant	Status
PM ₁₀	attainment
SO ₂	attainment
NO ₂	attainment
Ozone	attainment
CO	attainment
Lead	attainment

- (a) Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Switzerland County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 and 40 CFR 52.21.
- (b) Switzerland County has been classified as attainment or unclassifiable for all remaining criteria pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 and 40 CFR 52.21.
- (c) Fugitive Emissions
Since this type of operation is not one of the 28 listed source categories under 326 IAC 2-2 and since there are no applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive emissions are not counted toward determination of PSD and Emission Offset applicability.

Part 70 Permit Conditions

This source is subject to the requirements of 326 IAC 2-7, pursuant to which the source has to meet the following:

- (a) Emission limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of issuance of Part 70 permits.
- (b) Monitoring and related record keeping requirements which assume that all reasonable information is provided to evaluate continuous compliance with the applicable requirements.

Federal Rule Applicability

- (a) The nine (9) diesel reciprocating internal combustion engines, identified as DGF-1 through DGF-9, are not using control devices to comply with an emission limitation. Therefore, the requirements of 40 CFR Part 64, Compliance Assurance Monitoring, are not applicable.
- (b) The nine (9) diesel reciprocating internal combustion engines, identified as DGF-1 through DGF-9, are not subject to the requirements of New Source Performance Standards (NSPSs), 326 IAC 12, 40 CFR 60 Subparts D, Da, Db and Dc because the nine (9) diesel reciprocating internal combustion engines do not generate steam.
- (c) The fifteen (15) insignificant fuel oil storage tanks are not subject to the requirements of the New Source Performance Standard (NSPS), 326 IAC 12, (40 CFR Part 60.110b - 116b), Subpart Kb, because the capacity of each tank is less than forty (40) cubic meters (10,566.8 gallons).
- (d) The nine (9) diesel reciprocating internal combustion engines, identified as DGF-1 through DGF-9, are not subject to the requirements New Source Performance Standard (NSPS), 326 IAC 12, (40 CFR Part 60.331 - 334), Subpart GG, because the nine (9) diesel reciprocating internal combustion engines are not defined as stationary gas turbines.
- (e) There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs) (326 IAC 14, 326 IAC 20, 40 CFR 61 and 40 CFR Part 63) applicable to this source.

- (f) Pursuant to 40 CFR 72.7, one (1) or more diesel generators with nameplate capacities of less than or equal to twenty-five (25) megawatts, total, when combusting a nongaseous fuel with an annual average sulfur content of 0.05 percent or less by weight shall be exempt from being required to obtain a Title IV Acid Rain Permit.

- (1) The nine (9) diesel generators, comply with the exemption requirements of 40 CFR 72.7 and therefore, Hoosier Energy REC - Fairview Station will not be required to obtain a Title IV Acid Rain Permit. The information required for exemption from the Acid Rain Program pursuant to 40 CFR 72.7(b)(2) was submitted on December 10, 2000 and resubmitted for the new generators on July 15, 2002.

Note that in their July 15, 2002 acid rain exemption statement, Hoosier Energy REC stated that each generator will have a nameplate capacity of 2.40 megawatts, totaling 21.6 megawatts for the entire source. It was also stated that the sulfur content of the diesel fuel used in the new generators is expected to be no more than 0.05 percent sulfur.

- (2) Pursuant to 40 CFR 75.2, this source will not be required to have Continuous Emission Monitoring System (CEMS), because this source does not contain affected facilities subject to the Title IV Acid Rain Program.

- (3) Pursuant to 40 CFR 72.7, the nine (9) diesel generators shall be limited to the following in order to comply with the Acid Rain Program exemption:

- (A) The nameplate capacity of the nine (9) generators, shall not exceed twenty-five (25) megawatts, total;
- (B) The generators shall combust diesel fuel only; and
- (C) The annual average weight percentage sulfur content of the diesel fuel used at the nine (9) generators shall not exceed 0.05.

Diesel fuel is combusted in a nongaseous state. Therefore, the annual weight percentage sulfur content of the diesel used at the nine (9) generators shall be calculated by the Permittee in accordance with 40 CFR 72.7(d)(3) as follows:

$$\% S_{\text{annual}} = \frac{\sum_{n=1}^{\text{last}} \% S_n M_n}{\sum_{n=1}^{\text{last}} M_n}$$

where:

$\% S_{\text{annual}}$ = annual average sulfur content of the fuel burned during the year by the unit, as a percentage by weight;

$\% S_n$ = sulfur content of the nth sample of the fuel delivered during the year to the unit, as a percentage by weight;

M_n = mass of the fuel in a delivery during the year to the unit of

which the nth sample is taken, in pounds; or, for fuel delivered during the year to the unit continuously by pipeline, volume of the fuel delivered starting from when the nth sample of such fuel is taken until the next sample of such fuel is taken, in pounds;

n = each sample taken of the fuel delivered during the year to the unit, taken at least once for each delivery; or, for fuel that is delivered during the year to the unit continuously by pipeline, at least once each quarter during which the fuel is delivered.

- (4) Pursuant to 40 CFR 72.7(f)(3), to document compliance with the Acid Rain Exemption Limitations, the Permittee shall retain at the source the unit records for a period of five (5) years from the date the records are created. The five (5) year period for record keeping may be extended for cause, at any time period during the end of the period, in writing by IDEM, OAQ. These records shall be kept for each fuel delivery and shall include:

- (A) The type of fuel;
- (B) The sulfur content; and
- (C) The sulfur content of each sample taken.

State Rule Applicability - Entire Source

326 IAC 1-5-2 (Emergency Reduction Plans)

The source has submitted an Emergency Reduction Plan (ERP) on May 16, 2002. The ERP has been verified to fulfill the requirements of 326 IAC 1-5-2 (Emergency Reduction Plans).

326 IAC 2-2 (Prevention of Significant Deterioration (PSD))

The throughput of diesel fuel through the nine (9) diesel reciprocating internal combustion engines, known as DGF-1 through DGF-9, shall not exceed a total of 1,128,000 gallons per twelve (12) consecutive month period with compliance determined at the end of each month, equivalent to 249 tons of NO_x per year and 66.2 tons of CO per year. This limit is based on an NO_x and CO emission rate of 3.20 pounds per million British thermal units and 0.850 pounds per million British thermal units, respectively, and a heat content of 138,000 British thermal units per gallon of diesel fuel. This throughput shall limit the Potential to Emit CO and NO_x to less than two hundred and fifty (250) tons per year, each, rendering the requirements of 326 IAC 2-2 and 40 CFR 52.21 (PSD) not applicable. Therefore, this source constructed in 2001 will continue to be a minor PSD source.

326 IAC 2-4.1-1 (New Source Toxic Control)

The Potential to Emit of a single HAP for the entire source is less than ten (10) tons per year and the Potential to Emit of a combination of HAPs for the entire source is less than twenty-five (25) tons per year. Therefore, the requirements of 326 IAC 2-4.1-1 are not applicable.

326 IAC 2-6 (Emission Reporting)

This source is subject to 326 IAC 2-6 (Emission Reporting), because it has the Potential to Emit more than one hundred (100) tons per year of NO_x and CO in Switzerland County. Pursuant to this rule, the owner/ operator of the source must annually submit an emission statement for the source.

The annual statement must be received by July 1 of each year and contain the minimum requirements as specified in 326 IAC 2-6-4. The submittal should cover the period defined in 326 IAC 2-6-2(8) (Emission Statement Operating Year).

326 IAC 5-1 (Opacity Limitations)

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary alternative opacity limitations), opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR Part 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

326 IAC 9-1 (Carbon Monoxide Emissions)

This source is not subject to the requirements of 326 IAC 9-1-2 because the source is not classified as a petroleum refinery, ferrous smelter or a refuse incinerator.

326 IAC 10-1(Nitrogen Oxide Control in Clark and Floyd Counties)

This source is not subject to the requirements of 326 IAC 10-1 because the source is located in Switzerland County.

State Rule Applicability - Individual Facilities

326 IAC 6-2 (Particulate Emission Limitation for Source of Indirect Heating)

The nine (9) diesel reciprocating internal combustion engines are not emission units of indirect heating. Therefore, the requirements of 326 IAC 6-2, do not apply.

326 IAC 7-1.1 (Sulfur Dioxide Emission Limitation)

The nine (9) diesel reciprocating internal combustion engines, identified as DGF-1 through DGF-9, have a Potential to Emit SO₂ of less than twenty-five (25) tons per year, each. Therefore, the requirements of 326 IAC 7-1.1 do not apply.

326 IAC 8-1-6 (General VOC Reduction Requirements)

The Potential to Emit VOC of each of the internal combustion engines is less than twenty-five (25) tons per year. Therefore, the requirements of 326 IAC 8-1-6 are not applicable.

326 IAC 8-4-3 (Petroleum Liquid Storage Facilities)

The fourteen (14) fuel oil storage tanks have capacities of less than 39,000 gallons, each. Therefore, the requirements of 326 IAC 8-4-3 are not applicable.

326 IAC 10-4(Nitrogen Oxides Budget Trading Program)

The nine (9) diesel generators at this source are not subject to 326 IAC 10-4-1 because they are not "Electricity Generating Units" or "EGUs" as defined in 326 IAC 10-4-2(16) and they are not "large affected units" as defined in 326 IAC 10-4-2(27). The nine (9) diesel generators are not EGUs because they do not serve a generator that has a nameplate capacity greater than twenty-five (25) megawatts and produces electricity for sale under a firm contract to the electric grid. The nine (9) diesel generators are not large affected units because they do not have a maximum design heat input greater than two hundred fifty million (250,000,000) British thermal units per hour.

Testing Requirements

The emissions calculations on page 1 and 2 of 2 in Appendix A are based on AP-42 emission factors and limited diesel fuel throughput. Therefore, testing is not required for this source.

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

- (a) The nine (9) diesel reciprocating internal combustion engines have applicable compliance monitoring conditions as specified below:
 - (1) Visible emissions notations of the nine (9) diesel reciprocating internal combustion engines shall be performed once per shift during normal daylight operations. A trained employee will record whether emissions are normal or abnormal. For processes operated continuously "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time. In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions. A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process. The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a violation of this permit.

- (2) The visible emissions notations requirement has been added to the proposed Part 70 Operating Permit because the Potential to Emit PM and PM₁₀ due to the combustion of diesel fuel warrants that visible emissions notations be taken to ensure compliance with 326 IAC 5-1.

These monitoring conditions are necessary to ensure compliance with 326 IAC 2-7 (Part 70), 326 IAC 5-1 (Opacity Limitations).

- (b) Hoosier Energy REC - Midway Station is not required to install a continuous emissions monitoring system (CEMS) for NO_x or CO because the diesel throughput limit of 1,128,000 gallons per year and any required record keeping and reporting implemented to demonstrate compliance with that throughput limit is sufficient evidence to determine that this source is a minor PSD source.

Conclusion

The operation of this peaking power generation source shall be subject to the conditions of the attached proposed **Part 70 Permit No. T 155-16011-00006**.

Indiana Department of Environmental Management Office of Air Quality

Addendum to the Technical Support Document for a Part 70 Operating Permit

Source Name: Hoosier Energy REC - Fairview Station
Source Location: Bennington Pike at State Road 250, Vevay, Indiana 47043
County: Switzerland
SIC Code: 4911
Operation Permit No.: T 155-16011-00006
Permit Reviewer: Michael S. Schaffer

On April 17, 2003, the Office of Air Quality (OAQ) had a notice published in the Reveille Enterprise, located in Vevay, Indiana, stating that Hoosier Energy REC - Fairview Station had applied for a Part 70 Operating Permit to operate nine (9) diesel reciprocation internal combustion engines. The notice also stated that OAQ proposed to issue a Part 70 Operating Permit for this operation and provided information on how the public could review the proposed Part 70 Operating Permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this Part 70 Operating Permit should be issued as proposed.

On May 16, 2003, Darrell Bayless of Hoosier Energy submitted comments on the proposed Part 70 Operating Permit. The comments are as follows: The permit language, if changed, has deleted language as ~~strikeouts~~ and new language **bolded**.

Comment 1:

Condition D.1.6(c) Acid Rain Exemption [40 CFR 72.7(b)(2) and (d)(2)] - "Any change or modification to the nameplate capacities of any of the nine (9) diesel generators shall require the Permittee to submit a new Exemption Statement to the Acid Rain Program and obtain prior IDEM, OAQ approval."

On July 12, 2002 Hoosier Energy REC, Inc. submitted a letter to Paul Dubenetzky IDEM, Permit Chief and US EPA indicating that the units were rented and that they may be switched out for other units at any time. Due to the fact that the units will change from time to time we submitted a maximum nameplate capacity and noted that as long as the units were less than the capacity listed new submittals would not be required each time a unit is changed. We would ask that in Condition D.1.6(c) the language be revised to accommodate flexibility and only require new exemption forms be submitted if the unit exceeds the nameplate capacity of 2.4 MWe.

Response 1:

In order to provide Hoosier Energy the flexibility in the operation of the nine (9) diesel reciprocating internal combustion engines (generators), IDEM, OAQ has determined that the source will only have to submit a new Exemption Statement to the Acid Rain Program if a generator exceeds an output capacity of 2.40 megawatts. Therefore, Condition D.1.6(c) has been revised as follows:

D.1.6 Acid Rain Program Exemption [40 CFR 72.7(b)(2) and (d)(2)]

- (c) Any change or modification ~~to that increases~~ the nameplate capacities of any of the nine (9) diesel generators **to greater than 2.40 megawatts** shall require the Permittee to submit a new Exemption Statement to the Acid Rain Program and obtain prior IDEM, OAQ approval.

Comment 2:

Condition D.1.7(a) Visible Emissions Notations - The frequency of once per shift should be specified as written in the Technical Support Document

Response 2:

The frequency of visible emissions was inadvertently left out of Condition D.1.7(a) of the proposed Part 70 Operating Permit. Therefore, Condition D.1.7(a) has been changed as follows:

D.1.7 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of nine (9) diesel reciprocating internal combustion engines stack exhausts F-1A/F-1B through F-9A/F-9B shall be performed after four (4) continuous hours of operation **once per shift** during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

Appendix A: Emission Calculations
Internal Combustion Engines - Diesel Fuel
Reciprocating Engine (>600 HP)

Page 1 of 2 TSD App A

Company Name: Hoosier Energy REC - Fairview Station
Address City IN Zip: Bennington Pike at State Road 250, Vevay, Indiana 47043
Part 70: T 155-16011
Plt ID: 155-00006
Reviewer: Michael S. Schaffer
Date: May 16, 2002

Nine (9) diesel reciprocating internal combustion engines (generators) (DGF-1 through DGF-9)

Emissions calculated based on heat input capacity (MMBtu/hr)

Heat Input Capacity Potential fuel use Limited fuel use S= 0.05 = WEIGHT % SULFUR
MM Btu/hr (gallons) (gallons)

154.0 9775017.391 1128000.0

Emission Factor in lb/MMBtu	Pollutant					
	PM*	PM10*	SO2	NOx	VOC	CO
	0.1	0.0573	0.1 (1.01S)	3.2 **see below	0.1	0.85
Potential Emission in tons/yr	67.4	38.6	33.7	2158.3	60.7	573.3
Limited Potential Emission in tons/yr	7.78	4.46	3.89	249.1	7.00	66.2

*No information was given in AP-42 regarding which method was used to determine the PM emission factor or whether condensable PM is included. The PM10 emission factor is filterable and condensable PM10 combined.

**NOx emissions: uncontrolled = 3.2 lb/MMBtu, controlled with ignition timing retard = 1.9 lb/MMBtu

Methodology

Emission Factors are from AP 42 (Supplement B 10/96)Table 3.4-1 and Table 3.4-2

Emission (tons/yr) = [Heat input rate (MMBtu/hr) x Emission Factor (lb/MMBtu)] * 8760 hr/yr / (2,000 lb/ton)

Limited PTE (tons/year) = Usage (gallons/year) * 138,000 Btu/gal / 1000000 * emission factor (lb/MMBtu) * ton/2000 lbs

**Appendix A: Emission Calculations
Internal Combustion Engines - Diesel Fuel
HAPs Emissions**

Page 2 of 2 TSD App A

Company Name: Hoosier Energy REC - Fairview Station
Address City IN Zip: Bennington Pike at State Road 250, Vevay, Indiana 47043
Part 70: T 155-16011
Plt ID: 155-00006
Reviewer: Michael S. Schaffer
Date: May 16, 2002

Nine (9) diesel reciprocating internal combustion engines (generators) (DGF-1 through DGF-9)

Heat Input Capacity (MMBtu/hr)	Potential fuel use (gallons)	Limited fuel use (gallons)
154.0	10861141.3	1128000

Pollutant	Emission Factor (lbs/MMBtu)	Potential to Emit (tons/year)	Limited Potential to Emit (tons/year)
Benzene	7.76E-04	0.523	0.060
Toluene	2.81E-04	0.190	0.022
Xylenes	1.93E-04	0.130	0.015
Propylene	2.79E-03	1.88	0.217
Formaldehyde	7.89E-05	0.053	0.006
Acetaldehyde	2.52E-05	0.017	0.002
Acrolein	7.88E-06	0.005	0.001
Napthalene	1.30E-04	0.088	0.010
Acenaphthylene	9.23E-06	0.006	0.001
Acenaphthene	4.68E-06	0.003	0.0004
Fluorene	1.28E-05	0.009	0.001
Phenanthrene	4.08E-05	0.028	0.003
Anthracene	1.23E-06	0.001	0.0001
Fluoranthene	4.03E-06	0.003	0.0003
Pyrene	3.71E-06	0.003	0.0003
Benz(a) anthracene	6.22E-07	0.0004	0.0000
Chrysene	1.53E-06	0.001	0.0001
Benzo(b)fluoranthene	1.11E-06	0.001	0.0001
Benzo(k)fluoranthene	2.18E-07	0.0001	0.0000
Benzo(a)pyrene	2.57E-07	0.0002	0.0000
Indeno(1,2,3-cd) pyrene	4.41E-07	0.0003	0.0000
Dibenz(a,h) anthracene	3.46E-07	0.0002	0.0000
Benzo(g, h, i) perylene	5.56E-07	0.0004	0.0000
Total		2.94	0.340

Methodology

Emission factors are from AP42 (Supplement B 10/96) Table 3.4-1 and Table 3-4.2, Appendix A

PTE (tons/year) = Capacity (MMBtu/hr) * Emission Factor (lb/MMBtu)*8,760 hours/ton/2000 lbs

Limited PTE (tons/year) = Usage (gallons/year) * 138,000 Btu/gal / 1000000 * emission factor (lb/MMBtu) * ton/2000 lbs